

# BOARD OF PUBLIC WORKS

## *Vision*

The Board of Public Works exists to improve the quality of life of the customers we serve.

## *Mission*

We are dedicated to providing our current and future customers with utility and other value added services in a safe, reliable, and economical manner consistent with sustainable growth, community involvement, and environmental stewardship.

**Regular Meeting of the Board of Public Works was held in Lewes City Hall, Council Chambers,  
114 East Third Street, Lewes, Delaware on Wednesday, July 24, 2013 at 7:00 PM.**

### Board Members

*C. Wendell Alfred*  
*D. Preston Lee, P.E.*  
*Jack Leshner*  
*James N. Richmann*  
*A. Thomas Owen*

### Ex-Officio Members

*James L. Ford III, Mayor*  
*Heidi Wagner, Assistant General Manager*

### Ex-Officio Members Absent:

*Glenn C. Mandalas, Legal Council*  
*Darrin Gordon, General Manager*

### Others Present:

*Michael Hoffman, Baird, Mandalas, Brockstedt LLC (Substitute attorney for Glenn Mandalas)*  
*Andrew Haynie, PKS*  
*Ray Perdue, PKS*  
*Ginger, PKS*

## **1. Welcome, Call Meeting to Order, and Pledge of Allegiance.**

At 7:00 PM, President Alfred welcomed everyone, called the July meeting to order and led Pledge of Allegiance. A moment of silence was observed for our troops serving our country.

## **2. Roll Call.**

President Alfred stated that Glenn Mandalas and Darrin Gordon are absent, and all other Board Members, Assistant General Manager Heidi Wagner, Mayor James Ford, and are present. Darrin Gordon will be represented by Heidi Wagner in his absence. Glenn Mandalas will be represented by Michael Hoffman in his absence.

## **3. Revisions and/or Deletions to the Agenda.**

No revisions and/or deletions.

## **4. Consent Agenda.**

- a) Receive the General Manager Monthly Report*
- b) Receive Severn Trent Report for June*
- c) Receive President Report*
- d) Receive Vice-President Report*
- e) Receive Secretary Report*
  - 1.) Approval of Regular Minutes dated June 19, 2013.*
- f) Receive Treasurer Report*
- g) Receive Asst. Treasurer Report*

James Richmann motioned to approve the Consent Agenda, Tom Owen seconded, and motion carried unanimously.

## **OLD BUSINESS**

### **5. Open forum/general discussion on 2012/13 Audit report presented by Andrew Haynie of PKS Inc. and accepted by the Board of Public Works by vote. (J. Leshner, H. Wagner)**

#### **INFORMATION:**

**Andrew Haynie** gave an overview of the financial statements. There were no changes in numbers from the draft, only some small changes in wording. The BPW was given an "unmodified opinion" this year which is the highest opinion that can be issued. It was not an eventful year in regards to revenue and expenses. Overall the BPW had less income which was budgeted due to rate decreases. The biggest change was the amount of cash because it was moved to an investment account which keeps the cash still liquid. The other change is the loan to the City of Lewes for \$2 million. The bonds payable is \$800,000.00 and the liability has decreased. The net position from the start of the Board's existence until today is \$41,641,340.00. The majority is in fixed assets and investments. The other big portion is unrestricted, approximately \$14 million, which the Board has control over. The net position has increased by approximately \$678,000.00 (versus \$1.9M in the previous year) which was mostly due to the rate decrease, which was expected and budgeted for. The operating expenses have decreased. Overall there is nothing different from last year except the changes expected from the rate decrease.

#### **DISCUSSION:**

**President Alfred** asked if the Board is in compliance and asked about the general state of the Board.

**Andrew Haynie** replied yes you are in compliance and the Board is in a healthy financial position. The Board has been issued the highest opinion an auditor can give.

**Jack Leshner** said that based on the new opinion letter it says, "cannot vouch for internal controls". What can we do to have you vouch?

**Andrew Haynie** said we would have to perform additional tests. There is a separate report issued over internal controls and there are different levels. Internal controls are documented as part of an audit. Heavier testing is done due to the Board being a government organization. What we have is appropriate for this organization as an entity. There is nothing to report in the area of monthly reconciliations.

#### **ACTION:**

Jack Leshner motioned that the Board receive and accept the audit by PKS for the period ending March 31, 2013. Tom Owen seconded the motion. The motion passed unanimously.

## **NEW BUSINESS**

### **6. Open forum/general discussion on the acceptance of the Teal Construction bid of \$351,083 for the base bid and Alternate 1, and the approval to accept the proposal of GMB Engineering to provide contract management for \$25,115 and Resident Project Representation for \$33,800. (D. Preston Lee, H. Wagner)**

#### **INFORMATION:**

**Preston Lee** said bids were received and the low bidder was Teal Construction at \$303,819.00 plus GMB Engineering at \$58,915.00. This is a fair amount and is under what we had budgeted.

#### **ACTION:**

Preston Lee motioned that the Board accept the Teal Construction for the base bid and Alternate 1 at \$351,083.00. James Richmann seconded the motion. The motion passed unanimously.

Preston Lee motioned that the Board accept the GMB Engineering big for contract management with a base bid of \$58,915.00. James Richmann seconded the motion. The motion passed unanimously.

**Preston Lee** said he wanted to give an update on the water plant. The water plant is 95% done. There was a delay in ordering equipment so there was an agreement to extend the contract by 18 days. It is a no cost extension.

**President Alfred** asked if we need to vote to approve the extension.

**Michael Hoffman** said the Board cannot vote if it is not an agenda item. The contract will need to be checked but a vote cannot take place tonight.

**Preston Lee** said there was another issue regarding the connection of some piping which will require the shutdown of the tank. This will be put off until after Labor Day.

**President Alfred** said this is enough notice to notify everyone in the city and communicate with the Fire Department.

**7. Open forum/general discussion on setting Friday August 16<sup>th</sup>, 2013 1:00 pm as the date for a workshop on the 5 year Capital Improvements plan at the City Council Chamber. (C. Wendell Alfred, Jim Richmann)**

**President Alfred** said we need to formulize that agenda. He asked if there were any additions other than the Capital Budget.

**James Richmann** said the Board's cash position would also be discussed.

**Jack Leshner** said he would like to at least talk about paying down the lump sum in 2015 as well as the Board's investments. It was agreed to change the location of the workshop to the Upstairs BPW Board Room.

**8. Meetings Attended by Board Members or Staff.**

**Preston Lee** attended the Council Meeting and the Water Treatment Progress Meeting.

**Jack Leshner** attended the Roundtable on July 18<sup>th</sup> and had a meeting with Darrin Gordon.

**9. Board or Staff Requests for Agenda Item(s).**

There was a request from President Alfred and Jack Leshner for the issue of taking minutes from these meetings to be added to the agenda.

**10. Call to the Public.**

No questions or comments.

**11. Call to the Press.**

No questions or comments.

**12. Adjournment.**

President Alfred adjourned the meeting at 7:41 PM.